

SENATE BILL

No. 10

Introduced by Senator Morrow

May 17, 2001

An act to add Section 332.2 to the Public Utilities Code, relating to public utilities, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 10, as introduced, Morrow. Electrical restructuring: electric bills: rate ceiling.

(1) The Public Utilities Act requires the Public Utilities Commission to establish a ceiling of 6.5¢ per kilowatt hour on the energy component of electric bills for residential, small commercial, and lighting customers of the San Diego Gas and Electric Company, through December 31, 2002, retroactive to June 1, 2000, as prescribed. Existing law requires the commission to establish an accounting procedure to track and recover reasonable and prudent costs of providing electric energy to retail customers unrecovered through retail bills due to the application of that ceiling.

This bill would amend the act to require the commission to additionally establish a billing procedure to require the separate disclosure on each retail bill of information related to the undercollection of reasonable and prudent costs of providing electric energy to the retail customer unrecovered due to the application of the ceiling. The bill would prescribe the interest rate on any undercollection due to the application of the ceiling. The bill would require a specified notice on the retail bill. Since a violation of the act

or of a rule or order of the commission is a crime, this bill would impose a state-mandated local program by creating a new crime.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(3) The bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 332.2 is added to the Public Utilities
2 Code, to read:

3 332.2. (a) In addition to the accounting procedure required to
4 be established by subdivision (c) of Section 332.1, the commission
5 shall establish a billing procedure to require the separate disclosure
6 on each retail bill of any undercollection of reasonable and prudent
7 costs of providing electric energy to the retail customer
8 unrecovered in the current billing cycle due to the application of
9 the ceiling provided for in subdivision (b) of Section 332.1, the
10 total accumulated undercollection for the period from the date of
11 the imposition of the ceiling to the date of the bill, and accumulated
12 interest on the accumulated undercollection. The commission
13 shall also require each retail bill subject to the ceiling to contain
14 a notice as follows:

15 “NOTICE: Payment of this bill, in part or in full, does not affect
16 the legal standing of the ratepayer with regard to any future refund,
17 credit, or other adjustment ordered by a local, state, or federal
18 agency, including, but not limited to, any court order issued
19 pursuant to litigation.”

20 (b) Interest on any undercollection due to the the application of
21 the ceiling provided for in subdivision (b) of Section 332.1 shall
22 accrue as simple, fixed interest at a rate not to exceed the average
23 interest rate paid by San Diego Gas and Electric Company for
24 loans to finance its purchase of wholesale electricity in the
25 previous billing cycle.



1 SEC. 2. No reimbursement is required by this act pursuant to
2 Section 6 of Article XIII B of the California Constitution because
3 the only costs that may be incurred by a local agency or school
4 district will be incurred because this act creates a new crime or
5 infraction, eliminates a crime or infraction, or changes the penalty
6 for a crime or infraction, within the meaning of Section 17556 of
7 the Government Code, or changes the definition of a crime within
8 the meaning of Section 6 of Article XIII B of the California
9 Constitution.

10 SEC. 3. This act is an urgency statute necessary for the
11 immediate preservation of the public peace, health, or safety
12 within the meaning of Article IV of the Constitution and shall go
13 into immediate effect. The facts constituting the necessity are:

14 In order to provide adequate disclosure to ratepayers in the
15 service territory of the San Diego Gas and Electric Company of
16 undercollections by that company due to the rate ceiling imposed
17 by Chapter 328 of the Statutes of 2000, it is necessary that this act
18 take effect immediately.

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